

April 12, 2013

Representative Kevin Brady, Chair  
Representative Mike Thompson, Vice Chair  
Energy Tax Reform Working Group

I am writing to urge you to allow the wind Production Tax Credit (PTC) to expire at the end of 2013 under current law and not to again include an extension of the PTC in a package of tax extenders should the house consider one later this year. The fiscal cliff vote in January was an embarrassment to the U.S. Congress and American taxpayers.

The Obama Administration has poured billions of dollars into subsidizing its favored “green energy” sources. The Solyndra scandal and the administration's squandering of \$535 million in taxpayers dollars is a clear example of this agenda. Under this administration, federal subsidies for wind have grown from \$476 million per year to \$ 4.98 billion per year today. However, wind remains an intermittent resource; the wind does not blow all of the time and wind farms do not produce power constantly the way traditional power plants do.

An even greater disaster is that citizens living near wind farms are getting sick due to infra sound and property values are decreasing markedly near wind farms. Also, they are very destructive to the environment.

The wind energy production tax credit was established by the Energy Policy Act of 1992 and provides wind energy producers a 2.2 cent subsidy for every kilowatt hour of electricity produced. The subsidy attaches to a wind farm when the project starts to be built and continues for it's first ten years of operation. A one-year extension of the PTC would cost American taxpayers over \$12 billion. Even if the PTC expires, a wind farm that starts construction in 2013 will continue to receive subsidies until 2023, and, as a consequence, the bipartisan Joint Committee on Taxation estimates, that will add more than \$6.8 billion to the deficit. Today, when the U.S is more than \$16 trillion in debt and borrowing \$0.40 of every dollar it spends, we cannot afford to borrow money to subsidize the operations of a politically preferred technology. In the case of wind, doing so would not only be costly to taxpayers but ultimately would hurt consumers by distorting energy markets. Since the PTC provides a tax benefit for new projects, it often drives wind developers to build projects with little regard to consumer demand, as long as they can be placed on line and their power brought to market to collect the subsidy, In fact, because the tax subsidy is tied to the amount of electricity generated, wind producers often sell their electricity for nothing or even pay wholesale electricity markets to take their power in order to collect the tax subsidy. This subsidized and intermittent power distorts markets and threatens around-the-clock baseload producers. This will ultimately harm consumers who need power that is affordable and available around the clock.

It is time for the federal government to stop picking winners and losers in the energy marketplace. Twenty-one years of subsidizing wind is enough especially considering that they are collecting federal funds from multiple sources. The PTC should expire at the end of this year. Wind is a net job loser and the majority of these subsidies for wind go overseas. For further information please review [www.PTCFacts.info](http://www.PTCFacts.info)

Thank you for your consideration and please do the right thing for America.

Steven Moultrup

